

# **State of Alaska FY2003 Governor's Operating Budget**

## **Department of Community & Economic Development Alaska Aerospace Development Corporation Component Budget Summary**

## **Component: Alaska Aerospace Development Corporation**

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### **Component Mission**

To promote aerospace related economic growth and to develop corresponding technologies and support services.

### **Component Services Provided**

Provide rocket launch services to government and commercial customers, assist university, federal, and private organizations in developing aerospace technologies, provide educational opportunities within the state, and promote Alaska as the ideal location for aerospace activities.

### **Component Goals and Strategies**

Guide existing programs to demonstrate success at the Kodiak Launch Complex, and as such, garner new launch contracts providing long-term Alaska business.

Encourage commercial ground station development in Fairbanks due to expanding remote sensing industry and advanced imagery processes.

To continue development of KLC.

Promote use of Alaska's spaceport while continuing to secure and broaden the KLC launch customer base.

- Continue implementation of marketing and commercialization of KLC.
- Install two range safety systems - one at KLC and a second down range (Cordova is targeted location).
- Proactively explore KLC site development opportunities in national and commercial arenas.
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To increase local opportunities to support aerospace activities.

Continue to encourage local opportunities to support launch operations.

- Encourage aerospace industry to develop ongoing business presence within the State.
- Utilize local contractors to support launch missions from the KLC.
- Begin acquiring necessary components to develop a short-term and long-term land use plan at KLC site; promoting
- spin-off resources to support launch customers.

To provide educational opportunities throughout the state.

Encourage launch customers to visit local schools and provide educational information related to launch missions from the KLC.

- Develop curriculum to conduct school hands-on tours of KLC.
- Research opportunities to create a student mentorship program.
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### **Key Component Issues for FY2002 – 2003**

AADC continues to focus on marketing the Kodiak Launch Complex (KLC). The KLC is in full operational mode and continues to serve our launch customers. Should the US Congress so choose, AADC may enter discussions and begin planning for support to the Ballistic Missile Defense Organization's testing program.

### **Major Component Accomplishments in 2001**

1. Successful launch Air Force Quick Reaction Launch Vehicle (QRLV-1) in Mar 01.
2. Support Lockheed Martin Corporation launch effort for KODIAK STAR for Sept 01.
3. Support Army Strategic Target Systems (STARS) effort for Nov. 01 launch.
4. Prepare Specifications and procurement documents for contract award for two Range Safety Systems.
5. Awarded contract for Launch Support Services to local Alaskan Company.

## **Statutory and Regulatory Authority**

AS 14.40-821-990 Alaska Aerospace Development Corporation

## Alaska Aerospace Development Corporation

### Component Financial Summary

*All dollars in thousands*

	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	431.9	566.4	744.9
72000 Travel	57.3	66.7	91.1
73000 Contractual	246.5	207.0	424.4
74000 Supplies	7.5	7.0	21.0
75000 Equipment	18.5	11.0	67.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>761.7</b>	<b>858.1</b>	<b>1,348.4</b>
<b>Funding Sources:</b>			
1025 Science & Technology Endowment Income	555.2	497.0	0.0
1061 Capital Improvement Project Receipts	142.8	110.4	611.9
1101 Alaska Aerospace Development Corporation Receipts	63.7	250.7	736.5
<b>Funding Totals</b>	<b>761.7</b>	<b>858.1</b>	<b>1,348.4</b>

### Estimated Revenue Collections

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
<b>Unrestricted Revenues</b>						
None.		0.0	0.0	0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>						
Capital Improvement Project Receipts	51200	142.8	110.4	110.4	611.9	611.9
Science/Technology Endowment Income	51375	555.2	497.0	497.0	0.0	0.0
Aerospace Development Corporate Receipts	51416	63.7	250.7	250.7	736.5	736.5
<b>Restricted Total</b>		<b>761.7</b>	<b>858.1</b>	<b>858.1</b>	<b>1,348.4</b>	<b>1,348.4</b>
<b>Total Estimated Revenues</b>		<b>761.7</b>	<b>858.1</b>	<b>858.1</b>	<b>1,348.4</b>	<b>1,348.4</b>

## Alaska Aerospace Development Corporation

### Proposed Changes in Levels of Service for FY2003

Continued growth and future launch contracts has determined the need for two additional staff positions and related expenses to be added to support the administration and operations demands of the corporation. An increment is requested that would fund two positions in Anchorage, an Accounting Technician and a Contracts Manager. Funding source is AADC corporate receipts.

The earnings from ASTF's endowment have dropped significantly the last two years. Endowment earnings have dropped from \$10.4 million in Fiscal Year 2000 to \$5.2 million in Fiscal Year 2001. As a result, the portion of ASTF earnings that went to non-ASTF programs including AADC, increased from 31 to 62 percent. This significantly reduced funding for ASTF and its mission. A fund source change moves that portion of AADC funding that was from the ASTF Endowment funding to CIP Receipts.

### Summary of Component Budget Changes

#### From FY2002 Authorized to FY2003 Governor

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2002 Authorized</b>	<b>0.0</b>	<b>0.0</b>	<b>858.1</b>	<b>858.1</b>
<b>Adjustments which will continue current level of service:</b>				
-Year 3 Labor Costs - Net Change from FY2002	0.0	0.0	24.8	24.8
<b>Proposed budget increases:</b>				
-New Positions and related costs	0.0	0.0	160.5	160.5
-Increased Operating Costs	0.0	0.0	305.0	305.0
<b>FY2003 Governor</b>	<b>0.0</b>	<b>0.0</b>	<b>1,348.4</b>	<b>1,348.4</b>

## Alaska Aerospace Development Corporation

## Personal Services Information

Authorized Positions		Personal Services Costs		
	<u>FY2002</u>	<u>FY2003</u>		
	<u>Authorized</u>	<u>Governor</u>		
Full-time	7	9	Annual Salaries	561,277
Part-time	0	0	COLA	20,040
Nonpermanent	0	0	Premium Pay	8,870
			Annual Benefits	177,664
			Less 2.99% Vacancy Factor	(22,951)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>7</b>	<b>9</b>	<b>Total Personal Services</b>	<b>744,900</b>

## Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Tech II	0	0	1	0	1
Budget Manager	1	0	0	0	1
Contracting Officer IV	0	0	1	0	1
Deputy Director	1	0	0	0	1
Dir of Business Operations	1	0	0	0	1
Director of Administration	1	0	0	0	1
Executive Director	1	0	0	0	1
Procurement Spec V	1	0	0	0	1
Secretary	1	0	0	0	1
<b>Totals</b>	<b>7</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>9</b>